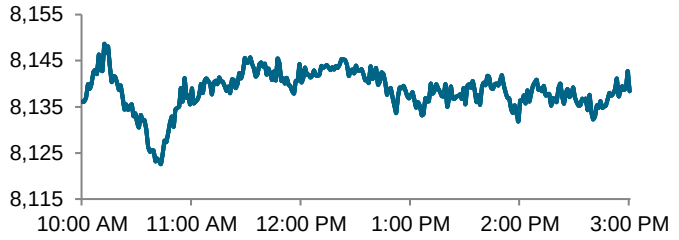
DAILY MARKETS OVERVIEW

5 FEBRUARY2020

السعودي الفرنسي كابيتال
Saudi Fransi Capital
Distinguished Service, Outstanding Performance

TASI Intraday



Source: Reuters

Saudi Stock Indices

Index	Last Close	1 Day %	WTD %	YTD %	PE (TTM)
Saudi (TASI)	8,138	0.3	-1.3	-3.0	22.1
Saudi (NOMU)	7,162	-0.4	0.4	-3.7	NA
Energy	5,177	-0.4	-1.3	-4.9	NA
Materials	4,966	0.1	-1.6	-3.9	43.2
Capital Goods	4,541	0.6	-0.9	4.8	38.3
Com. & Prof. Svc	4,565	1.2	-1.4	-4.3	18.4
Transportation	4,657	0.6	-0.8	6.0	22.3
Cons. Durables & Apparel	3,703	0.8	-0.9	5.6	NA
Consumer Services	4,253	0.8	0.8	7.4	39.7
Media	9,182	0.5	-1.0	-2.3	35.0
Retailing	7,834	0.1	0.1	1.8	33.4
Food & Staples Retailing	7,347	-0.2	1.6	11.1	NA
Food & Beverages	4,325	-0.7	-1.7	-0.7	47.3
Health Care Equipment	3,745	0.2	0.7	0.4	25.5
Pharma, Biotech & Life Science	3,813	1.8	1.4	6.1	NA
Banks	7,838	0.6	-1.6	-3.3	13.9
Diversified Financials	3,559	1.0	2.4	7.8	NA
Insurance	4,637	0.2	-1.3	2.7	NA
Telecommunication	5,938	0.3	-2.0	-8.3	19.9
Utilities	4,329	0.7	-0.1	-1.6	47.7
REITs	4,355	-0.1	-0.5	3.8	21.6
Real Estate	3,071	1.0	-0.6	-2.0	NA

Sources: Bloomberg, Reuters, Tadawul

Top 5 Gainers

Company	Last Close	% Change	Value (SAR mn)
Saudi Vitrified Clay Pipes Co.	60.40	6.0%	16
SABB Takaful	20.40	4.6%	16
Saudi Paper Manufacturing Co.	25.60	4.2%	19
Al-Ahsa Development Co.	12.60	4.1%	35
Ataa Educational Co.	33.30	4.1%	12

Source: Tadawul

Upcoming General Assembly Meetings

Company	Date
Northern Region Cement Co.	12-Feb-20
Al Gassim Investment Holding Co.	18-Feb-20
Tihama Advertising and Public Relations Co.	19-Feb-20
Tabuk Agricultural Development Co.	19-Feb-20
Wataniya Insurance Co.	20-Feb-20
Halwani Bros. Co.	25-Feb-20

Source: Tadawul

NOTES: (1) Prices as of last trade. Updated as of February 5, 2020
(2) WTD: Week to Date and YTD: Year to Date

Saudi Market Update

- TASI closed 0.3% higher to 8,138 while NOMU declined 0.4% to 7,162 on Tuesday. TASI traded value totaled SAR 3.6bn and averaged SAR 3.9bn over the last 30 days. The five most active stocks (by value) in TASI accounted for 30% of the daily traded value.
- MSCI Emerging Markets closed 2.4% higher on Tuesday, trading at P/E (TTM) of 15.1x vs 22.1x for TASI.
- Banks and Materials ended 0.6% and 0.1% higher, respectively. Telecom closed 0.3% higher. Pharma, Biotech & Life Science (up 1.8%) was the best performing sector. Among stocks, Saudi Vitrified Clay Pipes Co. (2360/SVCP AB), SABB Takaful (8080/SABBT AB), and Saudi Paper Manufacturing Co. (2300/SPM AB) led the gainers.
- The seasonally adjusted IHS Markit KSA Purchasing Managers' Index (PMI) fell to 54.9 in January 2020 from 56.9 in December 2019 as cautious consumer spending hampered new business growth and export sales dipped. *(Source: Zawya)*
- Filing & Packing Materials Manufacturing Co. (2180/FIPCO AB) signed an agreement with Saudi Authority for Industrial Cities and Technology Zones (MODON) to support the industrial transformation plan under the National Productivity Program (NPP) initiative. *(Source: Argaam)*
- Maaden (1211/MAADEN AB stated that the sales of phosphate fertilizers amounted to 4.9 million tons in 2019, an increase of 57% compared to 3.12 million tons in 2018, and that gold sales decreased to 394,000 ounces in 2019 as compared to 417,000 ounces in 2018. *(Source: Argaam)*
- Saudi Automotive Services Co. (4050/SACO AB) announced that it started requesting fuel quantities from Saudi Aramco in accordance with the new profit margin. However, the company added that it has not obtained the mechanism of receiving the retroactive profit margin from Aramco, adding that both companies are working to finalize that. *(Source: Argaam)*
- Methanol Chemicals Co. (2001/CHEMANOL AB) resumed operations at its methanol and dimethylformamide plants on February 4, after successfully completing the scheduled maintenance. *(Source: Argaam)*

Top 5 Losers

Company	Last Close	% Change	Value (SAR mn)
Saudi Cable Co.	16.96	-10.0%	9
Umm Al-Qura Cement Co.	28.90	-5.9%	57
Saudia Dairy and Foodstuff Co.	140.20	-3.7%	5
Jadwa REIT Al Haramain Fund	8.60	-3.4%	6
Al Jouf Cement Co.	10.98	-3.2%	58

Most Active Stocks by Value (SAR mn)

Company	Last Close	% Change	Value (SAR mn)
Al Rajhi Bank	66.30	0.8%	332
The Saudi Arabian Oil Company	33.85	-0.3%	255
Alinma Bank	25.05	0.7%	243
Saudi Basic Industries Corp.	87.00	0.8%	136
National Commercial Bank	46.40	0.0%	111

Source: Tadawul

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GCC Stock Indices

Index	Last Close	1 Day %	WTD %	YTD %	PE (TTM)
Dubai (DFM)	2,767	-0.1	-0.8	0.1	12.9
Abu Dhabi (ADX)	5,096	0.4	-1.2	0.4	15.7
Kuwait (KSE)	5,574	0.4	-0.8	-0.3	18.3
Qatar (QE)	10,270	0.2	-1.6	-1.5	14.8
Oman (MSM)	4,145	0.7	1.6	4.1	7.7
Bahrain (BSE)	1,664	0.1	0.4	3.3	13.2
DJMENA Index	596	0.3	-1.1	-1.5	NA

Source: Bloomberg, Reuters

Global Stock Indices

Index	Last Close	1 Day %	WTD %	YTD %	PE (TTM)
US (S&P 500)	3,298	1.5	2.2	2.1	21.9
US (NASDAQ 100)	9,468	2.1	3.5	5.5	25.5
UK (FTSE 100)	7,440	1.5	2.1	-1.4	19.0
Germany (DAX)	13,282	1.8	2.3	0.2	25.3
France (CAC 40)	5,935	1.8	2.2	-0.7	21.2
Russia (MICEX)	3,098	0.9	0.7	1.7	6.3
Japan (Nikkei)	23,085	0.5	-0.5	-2.4	18.6
Hong Kong (HSI)	26,676	1.2	1.4	-5.4	10.4
South Korea (KOSPI)	2,158	1.8	1.8	-1.8	18.6
China (SHCOMP)	2,783	1.3	-6.5	-8.7	13.3
India (NIFTY)	11,980	2.3	0.1	-1.6	23.1
Brazil (IBOV)	1,15,557	0.8	1.6	-0.1	18.4
Turkey (BIST 100)	1,22,136	2.4	2.5	6.7	9.2
Egypt (EGX30)	13,915	0.3	0.0	-0.3	11.7
MSCI Emerging Markets	1,085	2.4	2.2	-2.6	15.1
MSCI World	2,383	1.4	1.7	1.1	20.7

Source: Bloomberg, Reuters

Commodities Prices

Index	Last Close	1 Day %	WTD %	YTD %	1 Year %
Brent Crude ($/bbl)	54.0	-0.9	-4.7	-18.2	-13.7
Natural Gas ($/mmbtu)	1.9	2.9	1.7	-14.5	-34.7
Gold ($/oz)	1,553	-1.5	-2.3	2.3	18.3
Silver ($/oz)	17.6	-0.5	-2.5	-1.4	10.9
Platinum ($/oz)	965	-0.4	0.4	-0.2	17.6
Copper ($/t)	5,595	1.7	0.8	-9.0	-9.0
Zinc ($/t)	2,172	0.8	-1.8	-4.7	-22.7
Lead ($/mt)	1,855	-1.3	-1.0	-3.6	-11.5
Wheat ($/bu)	557	0.3	0.6	-0.3	-0.7
Corn ($/bu)	382	0.9	0.3	-1.4	-7.1
Sugar ($/lb)	14.7	-1.2	0.7	9.6	4.5

Source: Bloomberg

Interest Rate Watch (3M Interbank Offer Rate, %)

Country	Last Close	1 Day Change	YTD Change	Spread*
US	1.74	0.00	-0.17	0.00
Saudi Arabia	2.16	0.00	-0.07	0.42
UAE	2.06	0.03	-0.14	0.32
Kuwait	2.75	0.00	0.00	1.01
Qatar	2.29	-0.03	0.04	0.55
Bahrain	2.67	0.00	0.00	0.93

Source: Reuters

NOTES:(1) Prices updated as of February 5, 2020(2) WTD: Week to Date; YTD: Year to Date; NA: Not Applicable, *Spread = US 3M Rate – Country 3M Rate

GCC & Global Markets Update

- US markets ended in the green on Tuesday. S&P 500 and NASDAQ gained 1.5% and 2.1%, respectively. Dow Jones Industrial closed 1.4% higher. In Europe, UK gained 1.5%, while Germany and France ended 1.8% higher.
- Asian markets are trading in the green on Wednesday. China is up 1.6%. Japan and South Korea are trading 1.3% and 0.8% higher, respectively. Hong Kong and India are up 0.5% and 0.4%, respectively, in the morning session.
- GCC markets ended mostly higher on Tuesday. Dubai declined 0.1% while Abu Dhabi closed 0.4% higher. Kuwait and Qatar gained 0.4% and 0.2%, respectively. Oman and Bahrain ended 0.7% and 0.1% higher, respectively.
- S&P Global Ratings stated the UAE banking sector will remain resilient in 2020, with mid-single-digit credit growth supported by government spending on key investment projects. It added that resilient financial performance will enable rated UAE banks to maintain stable credit profiles in 2020, barring any unexpected increase in geopolitical risk or a major fall in oil prices. *(Source: Zawya)*
- The seasonally adjusted IHS Markit UAE Purchasing Managers' Index (PMI) declined to 49.3 in January 2020 from 50.2 in December 2019. Activity in the UAE private sector shrank in January, with jobs in the private non-oil sector declining at one of the strongest rates on record. *(Source: Zawya)*
- US based investment firm KKR (KKR US) and commercial aviation finance company Altavair AirFinance have signed an agreement to acquire 38 commercial aircraft from Etihad Airways. The acquisition will be made through aircraft leasing and investment platform Altitude Aircraft Leasing. *(Source: Arabian Business)*
- UAE's Etihad Rail Company has awarded Metallurgical & Material Handling Strategic Business Group of Larsen & Toubro (LT IN) a large contract, worth USD 510mn (SAR 1.9bn), for the design and build of freight handling facilities at seven locations across the country. *(Source: Arabian Business)*
- Abu Dhabi National Oil Company (ADNOC) awarded US based KBR a major project management consultancy (PMC) services contract for the Ghasha Concession portfolio of projects. This work is expected to be performed over four years with an optional extension for two more years. *(Source: Trade Arabia)*
- Abu Dhabi-based construction firm Al Fara'a Group revealed that it is in talks with banks to restructure about AED 2.0bn (SAR 2.04bn) in liabilities. *(Source: Arabian Business)*

Coming Up

- US EIA Petroleum status report on weekly change in crude oil inventories for the week ended January 31 (prior: +3.5mn barrels) will be announced today. *(Source: Trading Economics)*
- UK's CIPS/PMI Services Index for January 2020 (prior: 50, consensus: 52.9) will be announced today. *(Source: Trading Economics)*
- US jobless claims for the week ended February 1 (prior: 216K; consensus: 215K) will be announced tomorrow. *(Source: Trading Economics)*

Contacts

RESEARCH & ADVISORY

Research&Advisory@FransiCapital.com.sa

SAUDI FRANSI CAPITAL

Call Centre

800-125-9999

Website

www.sfc.sa

SAUDI FRANSI CAPITAL (CLOSED JOINT STOCK COMPANY OWNED BY BANQUE SAUDI FRANSI)

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C.R. 1010231217 - Paid Up Capital 500,000,000 S.R.

Head Office: 8092 King Fahd Road - Riyadh 12313-3735 - Kingdom of Saudi Arabia

Mailing Address: P.O. Box 23454 - Riyadh 11426

Tel: +966 11 282 6666 - Fax: +966 11 282 6667

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